

as part of their development assistance budgets. But an important new dimension of such assistance has been in the creation of independent democracy-promotion foundations such as the National Endowment for Democracy and the Westminster Foundation for Democracy. The financial and technical assistance provided to democratic activists by these programs, along with the involvement of many Western NGOs in the growing field of democracy promotion, constitutes a new and innovative force for advancing democracy in Africa.

Not all the new international factors have aided democracy in a clear and unambiguous fashion. The economic, technological, and communications revolution that has been given the name "globalization" has not been welcomed by many people in Africa and in other regions as well. Some see it as a menacing force that can marginalize less advanced economies, there is also concern that the dynamic of global integration that is a central aspect of this new period threatens local cultures, religions, and identities. But there are also those who understand that globalization in an unavoidable challenge. For them, the issue is one of creative adaptation—of learning to utilize the new technologies to discover new ways to empower local groups with knowledge and to connect them with allies in their own countries and beyond.

The Africa Democracy Forum is one such response to the challenge of globalization, and the World Movement for Democracy is another. The hope is that by establishing such cooperative networks local democracy groups will be empowered in new and important ways. They will be able to share experiences, to identify "best practices" that help governments (especially local governments) serve the people more effectively, and to develop indices, such as the Democracy Perception Index that will be discussed at this conference, that can help measure and evaluate government performance. In addition, such networks empower groups by giving them a voice that will command far more attention in the new arenas of global politics than if each tried to speak alone. Not least, they can develop allies in other democratizing countries and in the advanced democracies who can defend their interests in distant and often inaccessible international bodies. Linkages, voice, a seat at the table, solidarity, and mutual aid—these are the keys to the empowerment of civil society and local NGOs in the era of globalization.

As the Africa Democracy Forum develops and begins to play a role within the World Movement for Democracy (the ADF, I should note, will convene an Africa regional meeting at the next assembly of the WMD, which will take place in Sao Paulo, Brazil, from November 12-15), the question of the inter-relationship between regional and international factors deserves careful consideration. Local democracy groups should give thought not only to strengthening their voice internationally, but also to utilizing their international relationships to exercise leverage on African governments to implement meaningful political and economic reforms.

For example, 19 sub-Saharan African countries participated in the "Community of Democracies" ministerial conference that was held last June in Warsaw, Poland. (These countries were Benin, Botswana, Burkina Faso, Cape Verde, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Sao Tome and Principe, Senegal, Seychelles, South Africa, and Tanzania.) Each of these countries approved the Warsaw Declaration, which included such fundamental democratic principles as the right to free elections; equal

protection of the law; freedom of expression, religion, assembly, and association; free communications media; freedom from arbitrary arrest or detention; minority rights; equal access to education; judicial independence; government accountability and transparency; civilian control over the military; and the obligation of governments to refrain from extra-constitutional actions. While most of the African governments that approved this declaration are making genuine efforts to honor these principles, there may be some whose performance has been problematic, such as Burkina Faso and Kenya. In these cases, local NGOs might want to consider the establishment of "Warsaw Watch" committees (modeled on the highly effective Helsinki Watch committees established in Eastern Europe and the Soviet Union following the adoption in 1975 of the Helsinki Declaration) that would monitor their government's performance and appeal for international support from the Warsaw signatory countries if their government should violate the principles it endorsed in Warsaw. WMD participants from those signatory countries, especially in North America and Europe, could be contacted by the local NGOs to enlist their governments to pressure the country in question to honor the democratic commitments it made at the Warsaw meeting.

Then there is the whole question of the international financial institutions and the debts owed by poor countries in the context of globalization. At the present time, debt relief has not been tied to democratic reform. Nor can one count on the groups that have protested globalization to make this link since they seem more interested decrying inequality as a way of indicting the affluent countries than in encouraging the poor nations to reform by developing measures to root out corruption, nepotism, ethnic domination, and repression of the media and to achieve good governance, the rule of law, and real protection for human rights. The demand for such reforms will have to come from within the poor nations from the groups that are fighting for democratic reform, transparency, and accountability.

The idea of conditioning debt relief on the implementation of measures to achieve lasting democratic reforms has been advanced by our good friend Larry Diamond, who has noted that the amounts owed by African governments are in many cases "equalled or exceeded by what its political leaders have embezzled from the state." Simply to forgive the debts, he has written, "would reinforce the irresponsibility that has brought the continent to this juncture." With this in mind, he has called for a new international bargain—"debt for democracy and development for good governance." According to Larry's proposal, debt repayments would be incrementally suspended as countries establish laws and structures to monitor public assets and the conduct of public officials, to audit public accounts, to protect the independence of the judiciary from political interference or ethnic favoritism, to ensure public access to government information, to promote freedom of the press, and to take other measures that foster transparency, accountability, and overall good governance. He also urges that debt relief be complemented by assistance to train public officials and civil society leaders.

I would add one additional measure to supplement Larry's excellent proposal: The international community should work with democratic African governments and NGOs to locate and recover looted funds and to prosecute those individuals, many of whom are living in luxurious exile, who have committed these crimes, as well as the financial institutions and individuals in the affluent countries that have been complicit in carrying them out.

The agenda for reform needs to be shaped and monitored by African democrats. That's what you are attempting to do by creating a Democracy Perception Index. But you will need support in implementing your agenda and in getting African governments to adopt the reforms you will propose. Here, I believe, the World Movement for Democracy offers a new and unique resource—that of international political and moral solidarity. It is one that I hope you will not hesitate to use. I hope we will respond effectively to your needs and that together we will work toward a genuine renaissance of democracy in Africa.

## C-CORPORATIONS TAX FAIRNESS

**HON. PHIL ENGLISH**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 26, 2000*

Mr. ENGLISH. Mr. Speaker, today I am introducing legislation which will bring a measure of fairness to our corporate tax system. Currently, closely-held C-corporations pay a 35% tax on capital gains, while all other closely-held corporations and individuals pay only a 20% tax. This kind of tax treatment is unfair to the owners of closely-held C-corporations.

Unfortunately, current tax law prevents closely-held C-corporations from competing on a level-playing field with other forms of enterprise with respect to capital gains. Widely-held C-corporations are not subject to the same provisions that limit closely-held C-corporations. In addition, closely-held C-corporations are subject to a much higher-tax rate than individuals or pass-through entities.

Closely-held C-corporations have become a sort of hybrid form of business which, from a federal income tax perspective, operates in the worst of worlds. First, they are subject to all the Internal Revenue Service provisions that apply to widely-held C-corporations. Second, they are subject to two important limitation provisions that normally apply only to individuals or pass-through entities: the passive loss rules and the at-risk rules. Third, they are subject to the personal holding company and accumulated earnings tax provisions, which generally do not apply either to individuals or widely-held C-corporations. For the owners of closely-held C-corporations, things are even worse. Not only are capital gains initially deprived of a favorable tax rate at the corporate level, but when these capital gains are distributed, they are taxed as ordinary income in the hands of the owners.

The penalty provisions described above were intended to prevent especially wealthy individuals from using C-corporations to avoid tax liabilities. However, multiple changes over recent years in the tax treatment of C-corporations have all but eliminated any possibility of using a C-corporation in such a manner. S-corporations, on the other hand, have experienced a liberalization of regulation and now present a better ownership vehicle, from a tax point of view, than any closely-held C-corporation.

Current tax law prevents closely-held C-corporations from competing fairly for capital gains investments. These companies cannot compete against widely-held C-corporations because the latter generally are not subject to the limitation provision with which the closely-

held C-corporation must grapple. In addition, they cannot compete fairly with individuals or pass-through entities because they pay a much higher capital gains tax rate. This kind of discrimination in tax treatment is unfair to the owners of these businesses and is unhealthy for the economy as a whole.

My proposal would reduce the tax rate applicable to the capital gains of closely-held C-corporations from the current 35% to 20%. However, in order to benefit from the lower capital gains rate, these corporations must subject their ordinary income to the individual 39.6% tax rate. If the net effect of these two rates is a reduction in tax liability, the corporation will pay the lower amount. If not, the corporations would pay the current 35% tax rate on capital gains and ordinary income. As a result, all closely-held corporations would pay the same rate and thus compete fairly.

This proposal is obviously not the entire solution, but it would make a dent in dealing with the inequity of this particular situation.

HONORING JOHN REDNOUR BEING  
NAMED OUTSTANDING CITIZEN  
OF THE YEAR

**HON. JERRY F. COSTELLO**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 26, 2000*

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in honoring a good friend and public servant, Mayor John Rednour, of DuQuoin, on being selected the Outstanding Citizen of the Year for lifetime achievement and service to the community.

John Rednour's legacy with the City of DuQuoin is rooted in his deep commitment to the community and his policy of service above self. He has presided over the best of times in his community and also through times of adversity.

John Rednour came from the small community of Cutler on the west side of Perry County Illinois. Coming from a hard working family, John realized early on the importance of community service. His involvement in several successful business ventures has led him to become the President of the DuQuoin State Bank and also to serve as the Mayor of DuQuoin.

As DuQuoin's Mayor, John Rednour has presided over many development projects to help create jobs and improve the economy in DuQuoin and Perry County. He can count a new City Hall, Library and police department complex as part of his many achievements. Mayor Rednour prevailed upon me to secure federal funds to help build a new 3.2 million dollar overpass and over 6 million dollars in sewer and water improvements. He led the effort to develop the DuQuoin Industrial Park. And created a program to protect property values. Mayor Rednour has also had every highway in and out of DuQuoin resurfaced.

In terms of municipal services, John returned full-time staffing to both the police and fire departments and next year the City takes delivery on a new \$450,000 aerial fire truck. To Mayor Rednour, fire protection is important, for the first time fire protection is available to all parts of the City. He also restored funding to emergency preparedness programs in the community.

His longstanding relationships in both Springfield and Washington have provided DuQuoin with everything from Amtrak rail service to access to state and federal funds totaling over 22 million in recent years.

Mayor Rednour's philosophy is simple and subscribes to the thinking that "build it and they will come and believe in it and the money will be there."

Mr. Speaker, I ask my colleagues to join me in honoring John Rednour and to recognize his commitment for public service to the community of DuQuoin, Illinois.

A THANK YOU

**HON. MARSHALL "MARK" SANFORD**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 26, 2000*

Mr. SANFORD. Mr. Speaker, in the closing few days of the 106th Congress I rise today to say thank you to family and a few friends.

I am now in what I presume will be my last week in the U.S. House of Representatives. It has been a learning-filled experience, a time of growth, but most of all—an honor. It is at this threshold of upcoming change in my life that I think it important to pause for a moment, look back, and thank a few people for their work in getting me here.

When there was no reason to have faith, a long list of friends still believed I was supposed to end up here in Washington for this chapter of my life. I thank them for believing and for a whole lot of hard work. Walter and Deena McRackan, Jim Kuyk, Allen and Wendy Gibson, Charlie Duell, Tony Page, Gordon Bynum, John and Chris Molnar, Hoyt Long, Marilee Kinney, Paige Herrin, Tom Davis, Ron Norton and Lynn McBride are just a few of the many names that deserve credit on this front.

Family, immediate and extended fit the same bill on work and faith in this endeavor. Billy and Christie gave many weeks of their lives. Sarah moved to town and was instrumental in motivating volunteers. Mom was there for constant moral support. Jenny was campaign manager extraordinaire. From our life together over the last ten years and from the campaign experience together, she is the first person I would trust with any task my life depended on completing. She not only has an extraordinary capacity to get things done, but is as well my favorite person with whom to kick around ideas. Jenny, thank you for all the hours, days and weeks you have given to being the world's greatest helpmate.

The person who I'd most like to pay tribute to is someone not here—my dad. He died November eighteen years ago, but to this day I can remember the sound of his voice and the look in his eyes. Dad, you taught me many things. A few of them, never giving up, confidence and faith to follow dreams, and the need to try to make the world a better place—had a whole lot to do with my coming to Congress and my six years here.

NEVER GIVE UP

Dad you lived this by example. Your fight to the death with Lou Gerig's disease was all about never giving up. With Billy and John, I remember watching you fall to your face on new-ground at Coosaw while you tried to walk toward a bulldozer you desperately wanted to try and operate. You would let us lift you up,

only to then allow us to watch you fall again as you took choppy little steps forward. You fell many times, but wouldn't give up as you battled your way across the field. These were inspirational moments in seeing the human will, but not happy times. In a much happier season of life years earlier, I remember being in the lead in a high school cross-country race and having you and Coach Key pull up alongside me in a car. You were all keyed up and after the race we rode home together and you gave me "the talk" about determination and never giving up. Overwhelmingly you gave me praise on these visits. Throughout my running years in school you always stressed the theme of determination. Your words I appreciated your actions I will always try to emulate.

CONFIDENCE AND FAITH TO FOLLOW DREAMS

You were instrumental in instilling a sense of confidence with each of your children. I remember you always used to say to us that we were the best in the class. We would protest, "No, we're not", and we were right, but you were continuous in repeating this mantra. Thank you for doing so because over time you brainwashed us into believing in ourselves. You did it with the things you said, and the things you expected of each of us. As a little guy I remember driving tractors doing all kinds of things—cutting fire-lanes, bailing hay, cutting grass. We were not ready for all that you expected of us, I remember running a 4010 John Deere into a tree because I was focused on the roots jamming the disk the tractor was pulling rather than what was in-front of me, but you kept believing in each of us. You made us believe that we were ready for any and all challenges before us, and from the vantage-point I now hold I am thankful that you were so benevolent in your trust in each of us. Sometimes consciously, more often unconsciously, each of us had tried to live up to your expectations. This sense of self-confidence was your greatest gift and set in motion a virtuous cycle that to this day does me good. In this chapter of life it is what caused me to still believe things would work out after a hundred people told me there was no chance of winning the race for Congress.

MAKE THE WORLD A BETTER PLACE

In our family, all of us as children would complain about some new task you would dream up for us at Coosaw. Part of your response was a description of how we are here on earth to leave it a little bit better than we found it. You even went a step further and said that to whom much is given much is expected—so we were expected to make it a much better place. I don't believe I have yet made it a better place, but thanks to you each of your children is trying.

The bottom line is thank you to mom and dad, Jenny and the boys, family and friends for all your work leading up to and in the last six years. It's been something that would have made, among other folks, my dad proud. That makes me proud and thanks for that.

TRIBUTE TO THE LATE  
LESLIE KISH

**HON. LYNN N. RIVERS**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 26, 2000*

Ms. RIVERS. Mr. Speaker, today I pay tribute to the memory of Leslie Kish.